

**IN THE INCOME TAX APPELLATE TRIBUNAL DELHI
BENCH 'I-1', NEW DELHI**

**BEFORE SH. ANIL CHATURVEDI, ACCOUNTANT MEMBER
AND SH. K. NARASIMHA CHARY, JUDICIAL MEMBER**

(THROUGH VIDEO CONFERENCING)

ITA No. 1597/Del/2016
(Assessment Year : 2011-12)

DCIT Circle – 14(2), New Delhi PAN No. AAACK 5906 E (APPELLANT)	Vs.	Kroll Associates (India) Pvt. Ltd., 708, Surya Kiran Building, K. G. Marg, New Delhi-110001 (RESPONDENT)
--	-----	--

Assessee by	Shri Surender Pal, CIT-D.R.
Revenue by	Ms. Soumya Singh & Ms. Ananya Kapoor, Adv.

Date of hearing:	05.08.2021
Date of Pronouncement:	05.08.2021

ORDER

PER ANIL CHATURVEDI, AM:

This appeal filed by the Revenue is directed against the order of the Dy. Commissioner of Income Tax - Circle-14(2), New Delhi under section 144C(5) of the Act pursuant to the direction of Dispute Resolution Panel (DRP) – I, New Delhi order dated 24.11.2015 for Assessment Year 2011-12.

2. Revenue has raised the following grounds of appeals:
 1. *“That the directions of the Ld. DRP are erroneous and contrary to facts and law.*

2. *Whether in the facts and circumstances of the case and in law, the Ld. DRP was right in rejecting a comparable accepted by TPO by ignoring and misinterpretation of the facts of each comparable.*
3. *Whether in the facts and circumstances of the case and in law the Ld. DRP was right in rejecting Eclerx Services Ltd. as a comparable by stating it being functionally different as compared to the assessee and ignoring the fact that it is an ITES company engaged in both BPO and KPO activities which can be a comparable as per directions of CBDT.*
4. *Whether in the facts and circumstances of the case and in law the Ld DRP was right in rejecting ICRA Techno Analytics Ltd as a comparable by stating it being a low turnover company as compared to the assessee and ignoring the fact that it is an ITES company which can be a comparable as per direction of CBDT.*
5. *That the appellant craves leave to add, alter amend or forego any ground(s) of the appeal raised above at the time of hearing.”*

3. Before us, at the outset, Ld. A.R. submitted that in the impugned appeal of Revenue, the tax involved is less than the monetary limit of Rs.50 lakh and therefore, the appeal is not maintainable. Learned DR did not controvert the submissions made by Learned AR.

4. We have heard the rival parties and perused the material on record. On perusing the grounds of appeal raised by the Revenue, we find that Revenue is aggrieved by the order of Learned CIT(A) in respect of the relief given by him. We find that CBDT vide Circular No. 3/2018 dated 11.07.2018 had increased the limit for filing appeal before ITAT at Rs. 20 lakhs. The limit for filing appeals before ITAT and other authorities were enhanced by CBDT vide Circular No.17 of 2019 dated 08.08.2019. As per the aforesaid CBDT Circular dated 08.08.2019, no Department

appeals are to be filed against relief given by the Learned CIT(A) before the Income Tax Appellate Tribunal unless the tax effect, excluding interest, exceeds Rs.50 lakhs. We find that in the present case, the tax effect involved is less than Rs.50 lakhs. In the absence of any material placed on record by the Revenue to demonstrate that the issue in the present appeal is covered by exceptions provided in para 10 of the aforesaid CBDT Circular of 11.07.2018, we are of the view that the monetary limit prescribed by the instructions of the CBDT Circular dated 08.08.2019 would be applicable to the present appeal of the Department. We therefore hold the present appeal of Revenue to be not maintainable on account of low tax effect. However, in case there is any error in the computation of the tax effect involved or if for any reason, the aforesaid CBDT Circular is not applicable, it would be open to the Revenue to seek revival of the appeal. **Thus the appeal of the Revenue is dismissed.**

5. In the result, the appeal of Revenue is dismissed.

Order pronounced in the open court on 05.08.2021, immediately after conclusion of the hearing of the matter in virtual mode.

Sd/-

**(K. NARASIMHA CHARY)
JUDICIAL MEMBER**

Date:- 05.08.2021
PY*

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

Sd/-

**(ANIL CHATURVEDI)
ACCOUNTANT MEMBER**

ASSISTANT REGISTRAR
ITAT NEW DELHI